

IOWA CENTRAL COMMUNITY COLLEGE

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

June 30, 2015

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IOWA CENTRAL COMMUNITY COLLEGE

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Directors		
Mark Crimmins	President	2017
Larry Hecht	Vice President	2017
Thomas Chelesvig	Member	2015
Darrell Determann	Member	2015
Deborah Loerch	Member	2015
Douglas McDermott	Member	2015
Bennett O'Connor	Member	2017
Connie Smith	Member	2015
Terry Wessels	Member	2017

Community College

Dr. Daniel Kinney	President
Thomas Beneke	Vice President
James Kersten	Vice President
Laurie Hendricks	Vice President
Angie Martin	Vice President
Dave Grosland	Vice President
Karen Lombard	Board Secretary/Treasurer

IOWA CENTRAL COMMUNITY COLLEGE



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa 50501

Report on the Financial Statements

We have audited the accompanying financial statements of Iowa Central Community College, Fort Dodge, Iowa, and its discretely presented component unit as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the College's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the component unit were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of Iowa Central Community College and its discretely presented component unit as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 15 to the financial statements, Iowa Central Community College adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Schedule of the College's Proportionate Share of the Net Pension Liability, the Schedule of College Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 5 through 12 and 39 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Iowa Central Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Other Matters (Continued)

Supplementary Information (Continued)

The supplementary information is the responsibility of Iowa Central Community College's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, based on our audit and the procedures performed as described above, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2015 on our consideration of Iowa Central Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Iowa Central Community College's internal control over financial reporting and compliance.

Schnarr & Company, LLP

Fort Dodge, Iowa
December 8, 2015

IOWA CENTRAL COMMUNITY COLLEGE

IOWA CENTRAL COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa Central Community College provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- Operating revenues increased in FY15. Tuition revenue increased due to the increase in the tuition rate per credit hour and the increase in enrolled credit hours. Auxiliary enterprises revenues increased due to the increase in bookstore sales, the increase in the number of students in the College housing, and the increase in revenue due to the College operation of the Fuel Lab and the Health & Fitness Center.
- Operating expenses increased in FY15 due to an increase in scholarships, salary and benefit increases, and auxiliary enterprises. Older buildings and the deferral of maintenance and repair of buildings over the years, and the addition of new buildings, continues to cause higher physical facility expenditures for building maintenance and repairs.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the College's financial activities.

The Basic Financial Statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows. These provide information about the activities of the College as a whole and present an overall view of the College's finances.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information presents the College's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Supplementary Information provides detailed information about the individual funds. The Budgetary Comparison Schedule of Expenditures – Budget to Actual further explains and supports the financial statements with a comparison of the College's budget for the year. The Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the College.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

The Statement of Net Position

The Statement of Net Position presents financial information on all of the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The Statement of Net Position is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the College to the readers of the financial statements. The Statement of Net Position includes year-end information concerning current and non-current assets, deferred outflows of resources, current and non-current liabilities, deferred inflows of resources and net position. Over time, readers of the financial statements will be able to determine the College's financial position by analyzing the increases and decreases in net position. This statement is also a good source for readers to determine how much the College owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

	June 30,	
	2015	2014 (Not restated)
Current and other assets	\$ 34,947,546	\$ 34,401,436
Capital assets, net of accumulated depreciation	69,001,881	70,690,717
Total assets	103,949,427	105,092,153
Deferred outflows of resources	1,372,076	-
Current liabilities	10,719,722	10,860,847
Noncurrent liabilities	45,030,112	42,379,944
Total liabilities	55,749,834	53,240,791
Deferred inflows of resources	9,085,738	6,582,895
Net position:		
Net investment in capital assets	35,851,881	34,630,717
Restricted	3,642,216	3,491,424
Unrestricted	991,834	7,146,326
Total net position	\$ 40,485,931	\$ 45,268,467

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (CONTINUED)

Comparison of Net Position

The largest portion of the College's net position (89%) is invested in capital assets (e.g., land, buildings, intangibles and equipment), less the related debt. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net position (9%) includes resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The remaining net position (2%) is the unrestricted net position which can be used to meet the College's obligations as they come due.

Governmental Accounting Standards Board (GASB) No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 was restated by (\$8,818,169) to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues earned by the College, both operating and non-operating, and the expenses incurred by the College, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (CONTINUED)

Comparison of Net Position (Continued)

Statement of Revenues, Expenses and Changes in Net Position (Continued)

In general, a public college, such as Iowa Central Community College, will report an operating loss since the financial reporting model classifies state appropriations and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students, customers and constituents of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation/amortization, which allocates the cost of an asset over its expected useful life.

Changes in Net Position		Year ended June 30,	
		2015	2014
			(Not restated)
Operating revenue:			
Tuition and fees	\$	16,070,772	\$ 15,806,863
Federal appropriations		2,116,039	1,827,892
Iowa Industrial New Jobs Training Program		386,073	1,109,189
Auxiliary		14,938,171	13,738,632
Sales and services		1,151,949	735,503
Miscellaneous		937,896	817,996
Total operating revenue		35,600,900	34,036,075
Total operating expenses		63,358,650	59,463,361
Operating (loss)		(27,757,750)	(25,427,286)
Non-operating revenues (expenses):			
State appropriations		15,790,624	15,205,498
Pell grant		11,345,557	11,235,284
Property tax		6,518,778	6,309,581
Interest income on investments		84,453	78,074
Loss on disposal of capital assets		(795,953)	(99,726)
Donated capital assets		-	-
Interest on indebtedness		(1,150,076)	(1,278,860)
Net non-operating revenues		31,793,383	31,449,851
Change in net position		4,035,633	6,022,565
Net position beginning of year, as restated		36,450,298	39,245,902
Net position end of year	\$	40,485,931	\$ 45,268,467

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (CONTINUED)

Comparison of Net Position (Continued)

Statement of Revenues, Expenses and Changes in Net Position (Continued)

The Statement of Revenues, Expenses and Changes in Net Position reflects an increase in the net position at the end of the fiscal year.

In fiscal year 2015, operating revenues increased as a result of the following:

- Tuition and fees increased due to the tuition rate increase and an enrollment increase.
- The auxiliary enterprises revenue increased due to the enrollment increase, the increase in students in College housing, and the increase in revenue due to the College operation of the Fuel Lab and the Health & Fitness Center.

	Operating Expenses	
	Year ended June 30,	
	2015	2014
Education and support:		
Liberal arts and sciences	\$ 8,929,990	\$ 9,122,727
Vocational technical	7,349,716	7,026,161
Adult education	3,078,210	2,628,993
Cooperative services	531,862	1,514,262
Administration	1,874,646	1,768,207
Student services	4,224,682	6,037,473
Learning resources	446,360	523,911
Physical plant	5,258,211	4,814,281
General institution	8,382,692	7,152,418
Auxiliary enterprises	14,970,242	11,679,521
Scholarships and grants	3,921,872	3,450,895
Administrative and collection costs	1,731,055	1,066,293
Depreciation	2,659,112	2,678,219
Total	\$ 63,358,650	\$ 59,463,361

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (CONTINUED)

Total Expenses

In fiscal year 2015, operating expenses increased as a result of the following:

- Moderate salary and benefit increases.
- Additional maintenance and increased utility costs due to expansion of existing facilities and the addition of new buildings and continued costly maintenance and repair of aging facilities.
- Increase in housing expenses due to continued costly maintenance and repair of the current facilities.
- Increase in fuel testing expenses due to increase in testing volume for the Fuel Testing Lab.
- Increase in medical and dental payments in the College self-funded employee health plan.

Statement of Cash Flows

The Statement of Cash Flows is an important tool in helping users assess the College's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital and related financing and investing activities.

Cash Flows

	Year ended June 30,	
	2015	2014
Cash provided by (used in):		
Operating activities	\$ (24,843,977)	\$ (23,583,320)
Non-capital financing activities	32,291,644	33,908,197
Capital and related financing activities	(5,732,165)	(9,344,140)
Investing activities	84,453	78,074
Net increase in cash	1,799,955	1,058,811
Cash beginning of year	20,470,106	19,411,295
Cash end of year	\$ 22,270,061	\$ 20,470,106

Cash used by operating activities includes tuition, fees, operating grants and contracts, net of payments to employees and to suppliers. Cash provided by non-capital financing activities includes state appropriations, Pell grant and local property tax received by the College and the receipt and disbursement of federal direct loan program proceeds. Cash used by capital and related financing activities represents the proceeds from debt, the principal and interest payments on debt and the purchase of capital assets. Cash provided by investing activities includes investment income received.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the College had approximately \$69 million invested in capital assets, net of accumulated depreciation of approximately \$28.5 million. Depreciation charges totaled \$2,659,112 for FY15. Details of the capital assets are shown below.

Capital Assets, Net, at Year-End

	June 30,	
	2015	2014
Land	\$ 2,342,870	\$ 2,342,870
Buildings	60,793,643	53,125,847
Construction in progress	314,830	9,831,679
Improvements other than buildings	2,661,910	2,720,158
Equipment and vehicles	2,888,628	2,670,163
	<u>\$ 69,001,881</u>	<u>\$ 70,690,717</u>

Major capital expenditures for the fiscal year ending June 30, 2015 included completion of Triton Café,

Planned capital expenditures for the fiscal year ending June 30, 2016 and beyond include Transportation Housing, Bookstore Addition, East Campus Elevator, and an additional Student Residence Apartment.

More detailed information about the College's capital assets is presented in Note 4 to the financial statements.

Debt

At June 30, 2015, the College had approximately \$37.4 million in debt outstanding, a decrease of \$3,390,000 from fiscal year 2015. The table below summarizes these amounts by type.

Outstanding Debt

	June 30,	
	2015	2014
Certificates payable	\$ 4,215,000	\$ 4,695,000
Capital loan note payable	6,635,000	7,270,000
Bonds payable	26,515,000	28,790,000
	<u>\$ 37,365,000</u>	<u>\$ 40,755,000</u>

More detailed information about the College's outstanding debt is presented in Note 5 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS

Iowa Central Community College continued to improve its financial position during the current fiscal year. Maintaining the current good condition of the economy in the state and maintaining the continued increases in student enrollment are a concern for College officials. Some of the realities that may potentially become challenges for the College to meet are:

- State general aid did not increase from 2014-2015 to 2015-2016. In 2014-2015 state general aid represented 31 percent of the general fund revenue. Changes in and adequate funding of state general aid are a concern in meeting and maintaining the education needs of our students.
- Expenses will continue to increase due to salary and benefit increases, increases in costs of professional services and costs of materials and supplies.
- The College will continue to look at ways to expand distance-learning opportunities in FY16 and beyond and is involved with school districts in the operation of Alternative High Schools and Charter Schools. The College works in joint partnership with Barker Educational Services Team (BEST) to offer students a variety of programs via the 8-Week Online Program through the Distance Learning Office.
- The start-up of new programs is expensive. A new program to be started in FY16 is Early Childhood Education. We continue to look at adding programs.
- Aging facilities at the College require constant maintenance and upkeep. The increase in number of buildings creates increased utility costs, maintenance and upkeep expenses.
- Technology continues to expand and current technology becomes outdated, presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost.
- Property tax revenue to support the College operating fund for 2015-2016 will increase 1.9 percent.

The College anticipates the current fiscal year will be much like the last and will monitor resources to maintain the College's ability to react to unknown issues.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Central Community College, One Triton Circle, Fort Dodge, IA 50501.

BASIC FINANCIAL STATEMENTS

IOWA CENTRAL COMMUNITY COLLEGE

Exhibit A

STATEMENT OF NET POSITION

June 30, 2015

	Primary Government	Component Unit
Assets		
Current assets:		
Cash	\$ 22,270,061	\$ 4,935,973
Receivables:		
Accounts	1,511,783	-
Capital campaign	-	129,148
Property tax:		
Succeeding year	6,183,118	-
Due from other governments	712,938	-
Inventories	727,574	-
Prepaid expenses	330,269	-
Total current assets	<u>31,735,743</u>	<u>5,065,121</u>
Noncurrent assets:		
Receivables:		
Iowa Industrial New Jobs Training Program	3,211,803	-
Capital campaign, net of allowance of \$75,454	-	260,081
Capital assets, net of accumulated depreciation	69,001,881	2,449,300
Total noncurrent assets	<u>72,213,684</u>	<u>2,709,381</u>
Total assets	<u>103,949,427</u>	<u>7,774,502</u>
Deferred Outflows of Resources		
Pension related deferred outflows	<u>1,372,076</u>	<u>-</u>

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

Exhibit A
(Continued)STATEMENT OF NET POSITION
June 30, 2015

	Primary Government	Component Unit
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,282,187	\$ 2,676
Salaries and benefits payable	1,046,101	-
Interest payable	71,789	-
Advances from grantors	3,782,441	-
Compensated absences	531,482	-
Deposits held in custody for others	360,722	-
Certificates payable	475,000	-
Capital loan note payable	650,000	-
Bonds payable	2,520,000	-
Total current liabilities	<u>10,719,722</u>	<u>2,676</u>
Noncurrent liabilities:		
Certificates payable	3,740,000	-
Capital loan note payable	5,985,000	-
Bonds payable	23,995,000	-
Net pension liability	6,705,576	-
Net OPEB liability	4,604,536	-
Total noncurrent liabilities	<u>45,030,112</u>	<u>-</u>
Total liabilities	<u>55,749,834</u>	<u>2,676</u>
Deferred Inflows of Resources		
Unavailable property tax revenue	6,183,118	-
Pension related deferred inflows	2,902,620	-
	<u>9,085,738</u>	<u>-</u>
Net position		
Net investment in capital assets	35,851,881	-
Restricted:		
Nonexpendable:		
Scholarships and fellowships	-	3,961,850
Expendable:		
Capital campaign	-	389,229
Scholarships and fellowships	52,359	3,420,747
Loans	4,992	-
Cash reserve	319,603	-
Other	3,265,262	-
Unrestricted	<u>991,834</u>	<u>-</u>
Total net position	<u>\$ 40,485,931</u>	<u>\$ 7,771,826</u>

See Notes to Financial Statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2015

	Primary Government	Component Unit
Operating revenues:		
Tuition and fees, net of scholarship allowances of \$6,666,171	\$ 16,070,772	\$ -
Federal appropriations	2,116,039	-
Iowa Industrial New Jobs Training Program	386,073	-
Auxiliary enterprises, net of scholarship allowances of \$2,428,342	14,938,171	-
Sales and services	1,151,949	-
Farm income	-	125,229
Miscellaneous	937,896	-
Contributions and pledges	-	444,969
Total operating revenues	35,600,900	570,198
Operating expenses:		
Education and support:		
Liberal arts and science	8,929,990	-
Vocational technical	7,349,716	-
Adult education	3,078,210	-
Cooperative services	531,862	-
Administration	1,874,646	-
Student services	4,224,682	-
Learning resources	446,360	-
Physical plant	5,258,211	-
General institution	8,382,692	-
Auxiliary enterprises	14,970,242	-
Scholarships and grants	3,921,872	507,131
Administrative and collection costs	1,731,055	-
Depreciation	2,659,112	11,740
Farm expenses	-	138,897
Management and general expenses	-	278,450
Total operating expenses	63,358,650	936,218
Operating (loss)	(27,757,750)	(366,020)

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

**Exhibit B
(Continued)**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2015**

	Primary Government	Component Unit
Non-operating revenues (expenses):		
State appropriations	\$ 15,790,624	\$ -
Pell grant	11,345,557	-
Property tax	6,518,778	-
Interest and dividend income from investments	84,453	74,814
Interest on indebtedness	(1,150,076)	-
(Loss) on investments	-	(9,354)
(Loss) on sale of capital assets	(795,953)	-
Net non-operating revenues	31,793,383	65,460
Change in net position	4,035,633	(300,560)
Net position beginning of year, as restated	36,450,298	8,072,386
Net position end of year	<u>\$ 40,485,931</u>	<u>\$ 7,771,826</u>

See Notes to Financial Statements.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2015

Cash flows from operating activities:	
Tuition and fees	\$ 16,269,324
Federal appropriations	1,971,337
Iowa Industrial New Jobs Training Program	521,059
Payments to employees for salaries and benefits	(29,933,842)
Payments to suppliers for goods and services	(26,653,706)
Payments to NJTP recipients	(386,073)
Scholarships	(3,921,872)
Auxiliary enterprises	14,938,171
Other receipts	2,351,625
Net cash (used by) operating activities	(24,843,977)
Cash flows from non-capital financing activities:	
State appropriations	15,790,624
Pell grant	11,345,557
Property tax	6,518,778
Agency Fund receipts	19,589,905
Agency Fund disbursements	(20,379,037)
Interest paid on debt	(94,183)
Principal paid on debt	(480,000)
Net cash provided by non-capital financing activities	32,291,644
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(1,766,229)
Interest paid on debt	(1,055,936)
Principal paid on debt	(2,910,000)
Net cash (used by) capital and related financing activities	(5,732,165)
Cash flows from investing activities:	
Interest on investments	84,453
Net cash provided by investing activities	84,453
Net increase in cash	1,799,955
Cash beginning of year	20,470,106
Cash end of year	\$ 22,270,061

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE**Exhibit C
(Continued)****STATEMENT OF CASH FLOWS****Year Ended June 30, 2015**

Reconciliation of operating (loss) to	
net cash (used by) operating activities:	
Operating (loss)	<u>\$ (27,757,750)</u>
Adjustments to reconcile operating (loss) to	
net cash (used by) operating activities:	
Depreciation	2,659,112
Changes in assets and liabilities:	
Decrease in accounts receivable	198,552
Decrease in NJTP receivable	134,986
Decrease in due from other governments	437,984
Decrease in inventories	179,611
Increase in prepaid expenses	(97,065)
Increase in accounts payable	688,189
Increase in salaries payable	18,222
Decrease in advances from grantors	(320,906)
Decrease in net OPEB liability	(410,408)
Increase in compensated absences	7,545
Decrease in pension liability	(3,100,600)
Increase in deferred inflows	2,902,620
Increase in deferred outflows	<u>(384,069)</u>
Total adjustments	<u>2,913,773</u>
Net cash (used by) operating activities	<u><u>\$ (24,843,977)</u></u>

See Notes to Financial Statements.

IOWA CENTRAL COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Iowa Central Community College is a publicly supported school established and operated by Merged Area V under the provisions of Chapter 260C of the Code of Iowa. The College offers programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. It also offers up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Iowa Central Community College maintains campuses in Fort Dodge, Webster City, and Storm Lake, Iowa, and has its administrative offices in Fort Dodge. Iowa Central Community College is governed by a Board of Directors whose members are elected from each director district within Merged Area V.

The College's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Iowa Central Community College has included all funds, organizations, agencies, boards, commissions and authorities. The College has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the College are such that exclusion would cause the College's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the College to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the College.

These financial statements present Iowa Central Community College (the primary government) and its component unit. The component unit discussed below is included in the College's reporting entity because of the significance of its operational or financial relationship with the College. Certain disclosures about the component unit are not included because the component unit has been audited separately and a report has been issued under separate cover. The audited financial statements are available at the College.

Discrete Component Unit

Iowa Central Community College Foundation is a legally separate not-for-profit foundation. The Foundation was organized to receive and manage bequests, gifts, donations, and contributions made to or for the use of Iowa Central Community College. The Foundation is governed by a Board of Directors who are appointed by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources held are used for the benefit of Iowa Central Community College and its students. The address of the Foundation is One Triton Circle, Fort Dodge, Iowa.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (continued)

Discrete Component Unit (continued)

The Foundation is a non-profit organization which reports under accounting standards established by the Financial Accounting Standards Board (FASB). The Foundation's financial statements were prepared in accordance with the provisions of the ASC Topic 958, Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting for these differences. The Foundation reports net assets, which is equivalent to net position reported by the College. Copies of the Foundation's financial statements may be obtained by contacting the Foundation.

B. Basis of Presentation

GASB Statement No. 35, establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following net position categories:

Net Investment in Capital Assets - Capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position

Nonexpendable – Net position subject to externally-imposed stipulations that they be maintained permanently by the College, including the College's permanent endowment funds.

Expendable – Net position whose use by the College is subject to externally-imposed stipulations that can be fulfilled by actions of the College, pursuant to those stipulations or that expire by the passage of time.

Unrestricted Net Position - Net position that is not subject to externally-imposed situations. Resources may be designated for specific purposes by action of management or by the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and general programs of the College.

GASB Statement No. 35 also requires the Statements of Net Position, Revenues, Expenses and Changes in Net Position, and Cash Flows be reported on a consolidated basis. These basic financial statements report information on all of the activities of the College. For the most part, the effect of interfund activity has been removed from these statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Due from Other Governments – This represents state aid, grants and reimbursements due from the State of Iowa and grants and reimbursements due from the Federal government.

Inventories – Inventories are valued at lower of cost (first-in, first-out method) or market. The cost is recorded as an expense at the time individual inventory items are consumed.

Property Tax Receivable – Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Directors to the appropriate County Auditors. Delinquent property tax receivable represents unpaid taxes from the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Directors is required to certify its budget to the County Auditor by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Receivable for Iowa Industrial New Jobs Training Program (NJTP) – This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2015 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets – Capital assets, which include land, buildings and improvements, equipment and vehicles, are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)

Capital Assets (continued) – Capital assets are defined by the College as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years:

<u>Assets</u>	<u>Amount</u>
Land, buildings and improvements	\$ 5,000
Equipment and vehicles	5,000

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	25-50
Equipment and vehicles	5-10

The College does not capitalize or depreciate library books. The value of each book falls below the capital asset threshold and the balance was deemed immaterial to the financial statements.

Deferred Outflows of Resources: Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Salaries and Benefits Payable – Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Advances from Grantors – Advances from grantors represents grant proceeds which have been received by the Community College, but will be spent in a succeeding fiscal year.

Compensated Absences – College employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use. Also, employees may receive payment of unused vacation upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2015.

Refundable Allowances on Student Loans – The Perkins Federal Loan program requires a return of federal capital contribution if the United States Government terminates the program.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, dormitories, Fuel Lab, Willow Ridge Restaurant and Golf Course, Health and Fitness Center, self-insurance program and athletics.

Summer Session – The College operates summer sessions during May, June and July. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the load study distributions supplied by the College Registrar.

Tuition and Fees – Tuition and fees revenues are reported net of scholarship allowances, while stipends and other payments made directly to students are presented as scholarship and fellowship expenses.

Operating and Non-operating Activities – Operating activities, as reported in the Statement of Revenues, Expenses and Changes in Net Position, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Non-operating activities include state appropriations, Pell grants, property tax and interest income.

E. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2. Cash, Cash Equivalents and Pooled Investments

The College's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The College is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest rate risk – The College's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the College.

Note 3. Inventories

The College's inventories at June 30, 2015 are as follows:

<u>Type</u>	<u>Amount</u>
Merchandise held for resale	<u>\$ 727,574</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 2,342,870	\$ -	\$ -	\$ 2,342,870
Construction in progress	9,831,679	455,909	(9,972,758)	314,830
Total capital assets not being depreciated	12,174,549	455,909	(9,972,758)	2,657,700
Capital assets being depreciated:				
Buildings	68,971,155	9,184,995	-	78,156,150
Improvements other than buildings	5,801,647	22,292	-	5,823,939
Equipment and vehicles	9,694,361	1,288,028	(133,139)	10,849,250
Total capital assets being depreciated	84,467,163	10,495,315	(133,139)	94,829,339
Less accumulated depreciation for:				
Buildings	15,845,308	1,517,199	-	17,362,507
Improvements other than buildings	3,081,489	205,489	(124,949)	3,162,029
Equipment and vehicles	7,024,198	936,424	-	7,960,622
Total accumulated depreciation	25,950,995	2,659,112	(124,949)	28,485,158
Total capital assets being depreciated, net	58,516,168	7,836,203	(8,190)	66,344,181
Capital assets, net	\$ 70,690,717	\$ 8,292,112	\$ (9,980,948)	\$ 69,001,881

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5. Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2015 is as follows:

	Certificates Payable	Capital Loan Notes Payable	Bonds Payable	Net Pension Liability	Net OPEB Liability	Total
Balance, beginning of year	\$ 4,695,000	\$ 7,270,000	\$ 28,790,000	\$ 9,806,176	\$ 5,014,944	\$ 55,576,120
Additions	-	-	-	-	-	-
Reductions	(480,000)	(635,000)	(2,275,000)	(3,100,600)	(410,408)	(6,901,008)
Balance, end of year	\$4,215,000	\$6,635,000	\$26,515,000	\$ 6,705,576	\$ 4,604,536	\$48,675,112
Due within one year	\$ 475,000	\$ 650,000	\$ 2,520,000	\$ -	\$ -	\$ 3,645,000

Certificates Payable:

In accordance with agreements dated between July 1, 2006 and June 30, 2014, the College issued certificates totaling \$8,890,000 with interest rates ranging from 0.50% to 5.55%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries that are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding tax, incremental property tax, budgeted reserves and, in the case of default, from standby property tax.

The certificates will mature as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 475,000	\$ 91,520	\$ 566,520
2017	470,000	85,920	555,920
2018	475,000	79,195	554,195
2019	475,000	71,208	546,208
2020	485,000	62,020	547,020
2021-2024	1,835,000	128,327	1,963,327
Total	\$ 4,215,000	\$ 518,190	\$ 4,733,190

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5. Changes in Long-Term Liabilities (Continued)

Capital Loan Note Payable:

The College has issued a note for the purchase and construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's outstanding capital loan note payable at June 30, 2015 is as follows:

Year Ending June 30,	Note Issuance of September 19, 2011			
	Interest Rate	Principal	Interest	Total
2016	1.40%	\$ 650,000	\$ 179,215	\$ 829,215
2017	1.80	665,000	170,115	835,115
2018	2.10	685,000	158,145	843,145
2019	2.35	705,000	143,760	848,760
2020	2.60	730,000	127,193	857,193
2021-2024	2.75-4.00	3,200,000	290,862	3,490,862
Total		\$ 6,635,000	\$ 1,069,290	\$ 7,704,290

Bonds Payable:

The College issued bonds for the construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2015 bonded indebtedness are as follows:

Year Ending June 30,	Bond Issuance of March 5, 2012			
	Interest Rate	Principal	Interest	Total
2016	1.45%	\$ 965,000	\$ 63,980	\$ 1,028,980
2017	1.60	990,000	49,988	1,039,988
2018	1.85	705,000	33,652	738,652
2019	2.10	620,000	20,610	640,610
2020	2.30	330,000	7,590	337,590
Total		\$ 3,610,000	\$ 175,820	\$ 3,785,820

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5. Changes in Long-Term Liabilities (Continued)

Bonds Payable (continued):

Bond Issuance of March 5, 2012				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2016	1.45%	\$ 295,000	\$ 101,688	\$ 396,688
2017	1.65	300,000	97,410	397,410
2018	1.85	310,000	92,460	402,460
2019	2.10	315,000	86,725	401,725
2020	2.30	325,000	80,110	405,110
2021-2027	2.50-3.20	2,545,000	311,608	2,856,608
Total		\$ 4,090,000	\$ 770,001	\$ 4,860,001

Bond Issuance of June 1, 2012				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2016	1.30%	\$ 255,000	\$ 144,780	\$ 399,780
2017	1.55	260,000	141,465	401,465
2018	1.65	265,000	137,436	402,436
2019	1.90	270,000	133,063	403,063
2020	2.00	275,000	127,933	402,933
2021-2032	2.20-3.50	3,920,000	891,893	4,811,893
Total		\$ 5,245,000	\$ 1,576,570	\$ 6,821,570

Bond Refunding of December 28, 2012				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2016	0.70%	\$ 60,000	\$ 87,050	\$ 147,050
2017	0.70	60,000	86,630	146,630
2018	1.00	60,000	86,210	146,210
2019	1.00	60,000	85,610	145,610
2020	1.30	60,000	85,010	145,010
2021-2028	1.30-2.50	3,455,000	533,875	3,988,875
Total		\$ 3,755,000	\$ 964,385	\$ 4,719,385

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5. Changes in Long-Term Liabilities (Continued)

Bonds Payable (continued):

Year Ending June 30,	Bond Refunding of February 20, 2013			
	Interest Rate	Principal	Interest	Total
2016	0.65%	\$ 945,000	\$ 143,844	\$ 1,088,844
2017	0.85	955,000	137,702	1,092,702
2018	1.00	960,000	129,584	1,089,584
2019	1.15	975,000	119,984	1,094,984
2020	1.35	985,000	108,770	1,093,770
2021-2028	1.55-2.38	4,995,000	312,032	5,307,032
Total		\$ 9,815,000	\$ 951,916	\$ 10,766,916

Note 6. Operating Leases

The College has leased various facilities and equipment. These leases have been classified as operating leases and accordingly, all rents are expensed as incurred. The leases expire between October 2015 and September 2020 and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases. The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2015:

Year Ending June 30	Amount
2016	\$ 182,017
2017	131,854
2018	125,064
2019	22,773
2020	20,634
Thereafter	2,959
Total	\$ 485,301

Rents for the year ended June 30, 2015 for all operating leases, except those with terms of a month or less which were not renewed, totaled \$212,477.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 7. Iowa Public Employees Retirement System (IPERS)

Plan Description: IPERS membership is mandatory for employees of the College, except for those covered by another retirement system. Employees of the College are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits: A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 20, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits: A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

Contributions: Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the College contributed 8.93 percent for a total rate of 14.88 percent.

The College's contributions to IPERS for the year ended June 30, 2015 were \$1,003,267.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2015, the College reports a liability of \$6,705,576 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the College's proportion was 0.16908 percent, which was a decrease of 0.001709 percent from its proportion measured as of June 30, 2013.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued): For the year ended June 30, 2015, the College recognized pension expense of \$421,218. At June 30, 2015, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 72,877	\$ -
Changes of assumptions	295,932	-
Net difference between projected and actual earnings on pension plan investments	-	2,557,314
Changes in proportion and differences between College contributions and proportionate share of contributions	-	345,306
College contributions subsequent to the measurement date	1,003,267	-
	<u>\$ 1,372,076</u>	<u>\$ 2,902,620</u>

\$1,003,267 reported as deferred outflows of resources related to pensions resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Total
2016	\$ (633,838)
2017	(633,837)
2018	(633,838)
2019	(633,837)
2020	1,539
	<u>\$ (2,533,811)</u>

There are no non-employer contributing entities at IPERS.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

Actuarial Assumptions: The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00 percent per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return
US Equity	23 %	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
	100 %	

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the College will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
College's proportionate share of the net pension liability	\$ 12,669,997	\$ 6,705,576	\$ 1,670,986

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org

Payables to the Pension Plan: At June 30, 2015, the College reported payables to the defined benefit pension plan of \$47,898 for legally required employer contributions and \$31,914 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 8. Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF)

The College contributes to the TIAA-CREF retirement program which is a defined contribution plan. TIAA-CREF administers the retirement plan for the College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible College employees must participate in a retirement plan from the date they are employed.

Benefit terms, including contribution requirements, for TIAA-CREF are established and specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa. For each employee in the pension plan, the College is required to contribute 8.93 percent of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 5.95 percent. Contributions made by both employer and employee vest immediately. For the year ended June 30, 2015, employee contributions totaled \$401,316 and the College recognized pension expense of \$602,313.

At June 30, 2015, the College reported payables to the defined contribution pension plan of \$30,771 for legally required employer contributions and \$20,503 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA-CREF.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 9. Other Postemployment Benefits (OPEB)

Plan Description - The College operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 328 active and 26 retired members in the plan. Retired participants must be age 55 or older at retirement.

The College pays the employer share of premiums for both single and family coverage for active employees and purchases the fully insured benefits through its self-funded group insurance plan. Upon retirement, the future retired plan member pays 100% of the required premium less any explicit benefit. The Plan coverage terminates upon reaching Medicare eligibility age 65.

Funding Policy - The contribution requirements of plan members are established and may be amended by the College. The College currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The College's annual OPEB cost is calculated based on the annual required contribution (ARC) of the Community College, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the College's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the College's net OPEB obligation:

Annual required contribution	\$ 614,642
Interest on net OPEB obligation	125,490
Adjustments to annual required contribution	(802,490)
Annual OPEB cost	(62,358)
Contributions made	(348,050)
Decrease in net OPEB obligation	(410,408)
Net OPEB obligation beginning of year	5,014,944
Net OPEB obligation end of year	<u>\$ 4,604,536</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the College contributed \$348,050 to the medical plan.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 9. Other Postemployment Benefits (OPEB) (Continued)

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 141,362	0%	\$ 1,989,953
June 30, 2011	2,903,323	13	4,525,906
June 30, 2012	1,984,551	16	6,185,154
June 30, 2013	(227,524)	(151)	5,613,344
June 30, 2014	(285,231)	(110)	5,014,944
June 30, 2015	(62,358)	(558)	4,604,536

Funded Status and Funding Progress - As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was approximately \$2.33 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$2.33 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$16,179,000 and the ratio of the UAAL to covered payroll was 14%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2014 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.50% discount rate based on the College's funding policy. The projected annual health cost trend rate is 6%. An inflation rate of 0% is assumed for the purpose of this computation.

Mortality rates are from the 94 Group Annuity Mortality Table Projected to 2000, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2011 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2011. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 10. Risk Management

Iowa Central Community College carries commercial insurance purchased from insurers for coverage associated with torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 11. New Jobs Training Programs

The College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area V in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries that are new to or are expanding their operations within the State of Iowa. Certificates are sold by the College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property taxes. Since inception, the College administered 105 projects with 6 currently receiving project funding. The remaining 99 projects have been completed and the certificates have been paid. In cases where projects exceed the budgeted amounts, the college intends to obtain additional withholding revenue from the companies.

Note 12. Deficit Fund Balance

The College has a deficit balance in the funds as listed below as of June 30, 2015. Management believes that future transfers from unrestricted current funds will eliminate these deficit balances.

Unrestricted Fund:	
Career Education	\$ (22,109)
Athletics and Student Organizations	(4,826)

Note 13. Self-Insurance Program

Effective July 1, 2000, the College has a self-insurance program for hospitalization and medical coverage for its employees. The College limits its losses through the use of stop-loss policies from insurers. Specific individual losses for claims are limited to \$100,000 per year. The College's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees and was limited to \$4,086,714 in claims as of June 30, 2015. For the year ended June 30, 2015, the College paid \$3,938,551 under the program, which includes health and dental claims, and administrative costs.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 14. Subsequent Events

Subsequent events have been evaluated through December 8, 2015, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

In October 2015, the Board of Directors authorized Dr. Kinney to advertise for bids for the East Campus Elevator project. The Board contracted with Sande Construction and Supply Co., Inc. for a base bid of \$321,743.

Note 15. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27 was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources that arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after measurement date, as follows:

	Net Position
Net position June 30, 2014, as previously reported	\$ 45,268,467
Net pension liability at June 30, 2014	(9,806,176)
Deferred outflows of resources related to prior year contributions made after the June 30, 2013 measurement date	<u>988,007</u>
Net position July 1, 2014, as restated	<u><u>\$ 36,450,298</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF THE COLLEGE'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Iowa Public Employees' Retirement System
Last Fiscal Year *
(In Thousands)**

Required Supplementary Information

	2015
College's proportion of the net pension liability	0.169081%
College's proportionate share of the net pension liability	\$ 6,706
College's covered-employee payroll	\$ 11,235
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	59.69%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying Independent Auditor's Report.

NOTE: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10 year trend is compiled, the College will present information for those years for which information is available.

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF COLLEGE CONTRIBUTIONS

Iowa Public Employees' Retirement System

Last Ten Fiscal Years

(In Thousands)

Required Supplementary Information

	2015	2014	2013	2012
Statutorily required contribution	\$ 1,003	\$ 990	\$ 973	\$ 860
Contributions in relation to the statutorily required contribution	(1,003)	(990)	(973)	(860)
Contribution deficiency (excess)	\$ -	-	-	-
College's covered-employee payroll	\$ 11,235	11,082	11,227	10,651
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%

2011	2010	2009	2008	2007	2006
\$ 711	\$ 645	\$ 608	\$ 557	\$ 484	\$ 445
(711)	(645)	(608)	(557)	(484)	(445)
-	-	-	-	-	-
10,235	9,700	9,578	9,214	8,418	7,736
6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

IOWA CENTRAL COMMUNITY COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY Year ended June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF FUNDING PROGRESS
FOR THE RETIREE HEALTH PLAN
(In Thousands)**

Required Supplementary Information

Year-Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2009	July 1, 2008	\$ -	\$ 9,996	\$ 9,996	0%	\$ 12,797	78%
2010	July 1, 2008	-	9,996	9,996	0	13,496	74
2011	July 1, 2010	-	10,710	10,710	0	14,089	76
2012	July 1, 2010	-	10,710	10,710	0	14,659	73
2013	July 1, 2012	-	2,800	2,800	0	15,393	18
2014	July 1, 2012	-	2,800	2,800	0	16,065	17
2015	July 1, 2014	-	2,330	2,330	0	16,179	14

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

NOTE TO SUPPLEMENTARY INFORMATION

June 30, 2015

Supplementary information of the College is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenditures. The various fund groups and their designated purposes are as follows:

Current Funds – The Current Funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the College and consist of the following:

Unrestricted Fund – The Educational and Support subgroup of the Unrestricted Fund accounts for the general operations of the College.

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services for sales to students, staff and/or institutional departments, and which are supplemental to the educational and general objectives of the College.

Restricted Fund – The Restricted Fund is used to account for resources that are available for the operation and support of the educational program but which are restricted as to their use by donors or outside agencies.

Loan Funds – The Loan Funds are used to account for loans to students, and are financed primarily by the federal government.

Endowment Funds – The Endowment Funds are used to account for resources, the principal of which is maintained inviolate to conform with restrictions by donors or other outside agencies. Generally, only the income from these funds may be used.

Plant Funds – The Plant Funds are used to account for transactions relating to investment in the College properties, and consist of the following self-balancing accounts:

Unexpended – This account is used to account for the unexpended resources derived from various sources for the acquisition or construction of plant assets.

Investment in Plant – This account is used to account for the excess of the carrying value of plant assets over the related liabilities.

Agency Funds – The Agency Funds are used to account for assets held by the College in a custodial capacity or as an agent for others. Agency Funds' assets equal liabilities.

The Budgetary Comparison Schedule of Expenditures – Budget to Actual provides a comparison of the budget to actual expenditures for those funds and/or levies required to be budgeted. Since Iowa Central Community College uses Business-Type Activities reporting, this budgetary comparison information is included as other supplementary information.

Schedules presented in supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting with modifications for depreciation and other items included in the adjustments column. The schedule of revenues, expenditures and changes in fund balances is a schedule of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses.

IOWA CENTRAL COMMUNITY COLLEGE

**BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -
BUDGET TO ACTUAL**

Year Ended June 30, 2015

Funds/Levy	Original Budget	Amended Budget	Actual	Variance Between Actual and Amended Budget
Unrestricted	\$ 37,500,000	\$ 37,500,000	\$ 34,137,273	\$ 3,362,727
Restricted	10,762,982	13,342,837	5,613,110	7,729,727
Unemployment	40,000	50,000	33,911	16,089
Tort liability	500,000	500,000	455,155	44,845
Insurance	500,000	500,000	458,885	41,115
Early retirement	400,000	400,000	605,700	(205,700)
Equipment replacement	800,000	1,200,000	926,512	273,488
Total restricted	13,002,982	15,992,837	8,093,273	7,899,564
Plant	6,143,000	6,150,000	2,360,151	3,789,849
Bonds and interest	1,309,247	1,310,000	536,889	773,111
Total	\$ 57,955,229	\$ 60,952,837	\$ 45,127,586	\$ 15,825,251

Note to Budgetary Reporting:

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the College on a basis consistent with U. S. generally accepting accounting principles. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Directors certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

Budgets are not required to be adopted for the Auxiliary Enterprises subgroup, Workforce Improvement Act, Scholarships and Grants Accounts, Loan Funds, Endowment Funds and Agency Funds.

For the year ended June 30, 2015, the College's expenditures did not exceed the amount budgeted.

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS

June 30, 2015

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Assets			
Cash	\$ 11,818,192	\$ 8,432,598	\$ 4,992
Receivables:			
Accounts	1,511,783	-	-
Property tax:			
Succeeding year	1,506,896	1,859,696	-
Iowa Industrial New Jobs Training Program	-	3,211,803	-
Due from other funds	9,788,483	-	-
Due from other governments	-	628,609	-
Inventories	727,574	-	-
Prepaid expenses	330,269	-	-
Capital assets:			
Land	-	-	-
Buildings	-	-	-
Construction in progress	-	-	-
Improvements other than buildings	-	-	-
Equipment and vehicles	-	-	-
Accumulated depreciation	-	-	-
Deferred Outflows of Resources			
Pension related deferred inflows	-	-	-
 Total assets and deferred outflows of resources	 \$ 25,683,197	 \$ 14,132,706	 \$ 4,992

See accompanying Independent Auditor's Report.

Schedule 2

Plant Funds		Agency Funds	Adjustments	Total
Unexpended	Investment in Plant			
\$ 1,671,927	\$ -	\$ 342,352	\$ -	\$ 22,270,061
-	-	-	-	1,511,783
2,816,526	-	-	-	6,183,118
-	-	-	-	3,211,803
-	-	-	(9,788,483)	-
-	-	84,329	-	712,938
-	-	-	-	727,574
-	-	-	-	330,269
-	2,342,870	-	-	2,342,870
-	78,156,150	-	-	78,156,150
-	314,830	-	-	314,830
-	5,823,939	-	-	5,823,939
-	10,849,250	-	-	10,849,250
-	-	-	(28,485,158)	(28,485,158)
-	-	-	1,372,076	1,372,076

\$ 4,488,453	\$ 97,487,039	\$ 426,681	\$ (36,901,565)	\$ 105,321,503
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IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS

June 30, 2015

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,182,187	\$ -	\$ -
Salaries and benefits payable	1,046,101	-	-
Interest payable	19,553	7,626	-
Due to other funds	8,734,478	690,802	-
Advances from grantors	60,083	3,722,358	-
Compensated absences	531,482	-	-
Deposits held in custody for others	-	-	-
Certificates payable	-	4,215,000	-
Capital loan note payable	-	-	-
Bonds payable	-	-	-
Net pension liability	-	-	-
Net OPEB Liability	-	-	-
Total liabilities	11,573,884	8,635,786	-
Deferred inflows of resources			
Succeeding year property tax	1,506,896	1,859,696	-
Pension related deferred inflows	-	-	-
	1,506,896	1,859,696	-
Fund balances:			
Net investment in capital assets	-	-	-
Restricted:			
Expendable:			
Scholarships and fellowships	-	52,359	-
Loans	-	-	4,992
Cash reserve	-	319,603	-
Other	-	3,265,262	-
Auxiliary enterprises	9,386,170	-	-
Unrestricted	3,216,247	-	-
Total fund balances	12,602,417	3,637,224	4,992
Total liabilities, deferred inflows of resources and fund balances	\$ 25,683,197	\$ 14,132,706	\$ 4,992

See accompanying Independent Auditor's Report.

**Schedule 2
(Continued)**

Plant Funds		Agency Funds	Adjustments	Total
Unexpended	Investment in Plant			
\$ 100,000	\$ -	\$ -	\$ -	\$ 1,282,187
-	-	-	-	1,046,101
44,610	-	-	-	71,789
297,244	-	65,959	(9,788,483)	-
-	-	-	-	3,782,441
-	-	-	-	531,482
-	-	360,722	-	360,722
-	-	-	-	4,215,000
-	6,635,000	-	-	6,635,000
-	26,515,000	-	-	26,515,000
-	-	-	6,705,576	6,705,576
-	-	-	4,604,536	4,604,536
441,854	33,150,000	426,681	1,521,629	55,749,834
2,816,526	-	-	-	6,183,118
-	-	-	2,902,620	2,902,620
2,816,526	-	-	2,902,620	9,085,738
-	64,337,039	-	(28,485,158)	35,851,881
-	-	-	-	52,359
-	-	-	-	4,992
-	-	-	-	319,603
-	-	-	-	3,265,262
-	-	-	(77,992)	9,308,178
1,230,073	-	-	(12,762,664)	(8,316,344)
1,230,073	64,337,039	-	(41,325,814)	40,485,931
\$ 4,488,453	\$ 97,487,039	\$ 426,681	\$ (36,901,565)	\$ 105,321,503

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL FUNDS**

Year Ended June 30, 2015

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Revenues:			
General:			
State appropriations	\$ 11,441,727	\$ 3,894,453	\$ -
Tuition and fees	22,873,961	-	-
Property tax	1,465,087	2,293,521	-
Federal appropriations	33,110	13,428,486	-
Sales and services	574,631	387,498	-
Interest on investments	66,085	18,368	-
Iowa Industrial New Jobs Training Program	-	386,073	-
Increase in plant investment due to plant expenditures, including \$1,275,041 of expenditures in current funds	-	-	-
Miscellaneous	207,188	542,440	-
	<u>36,661,789</u>	<u>20,950,839</u>	<u>-</u>
Auxiliary enterprises:			
Tuition and fees	661,644	-	-
Sales and services	16,335,777	-	-
Miscellaneous	420,069	-	-
	<u>17,417,490</u>	<u>-</u>	<u>-</u>
Total revenues	<u>54,079,279</u>	<u>20,950,839</u>	<u>-</u>
Expenditures:			
Education and support:			
Liberal arts and science	9,096,736	-	-
Vocational technical	6,724,975	925,632	-
Adult education	1,835,463	1,327,473	-
Cooperative services	(10,751)	636,753	-
Administration	1,711,236	215,242	-
Student services	4,406,785	-	-
Learning resources	449,395	-	-
Physical plant	4,914,658	458,885	-
General institution	5,008,776	4,529,288	-
Total education and support	<u>34,137,273</u>	<u>8,093,273</u>	<u>-</u>

Schedule 3

Plant Funds				
Unexpended	Investment in Plant	Adjustments	Total	
\$ 454,444	\$ -	\$ -	\$ 15,790,624	
	-	(6,803,189)	16,070,772	
2,760,170	-	-	6,518,778	
	-	-	13,461,596	
190,073	-	(253)	1,151,949	
	-	-	84,453	
-	-	-	386,073	
-	1,766,229	(1,766,229)	-	
188,268	-	-	937,896	
3,592,955	1,766,229	(8,569,671)	54,402,141	
-	-	-	661,644	
-	-	(2,479,319)	13,856,458	
-	-	-	420,069	
-	-	(2,479,319)	14,938,171	
3,592,955	1,766,229	(11,048,990)	69,340,312	
-	-	(166,746)	8,929,990	
-	-	(300,891)	7,349,716	
-	-	(84,726)	3,078,210	
-	-	(94,140)	531,862	
-	-	(51,832)	1,874,646	
-	-	(182,103)	4,224,682	
-	-	(3,035)	446,360	
-	-	(115,332)	5,258,211	
-	-	(1,155,372)	8,382,692	
-	-	(2,154,177)	40,076,369	

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL FUNDS**

Year Ended June 30, 2015

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Expenditures (Continued):			
Auxiliary enterprises	\$ 15,560,159	\$ -	\$ -
Scholarships and grants	-	13,203,316	-
Administrative and collection costs	-	-	-
Plant asset acquisitions	-	-	-
Disposal of plant assets	-	-	-
Loss on disposal of capital assets	-	-	-
Depreciation	-	-	-
Interest on indebtedness	-	-	-
Total expenditures	49,697,432	21,296,589	-
Excess (deficiency) of revenues over (under) expenditures	4,381,847	(345,750)	-
Transfers:			
Non-mandatory transfers	(2,636,544)	496,542	-
Total transfers	(2,636,544)	496,542	-
Net	1,745,303	150,792	-
Fund balances beginning of year, as restated	10,857,114	3,486,432	4,992
Fund balances end of year	\$ 12,602,417	\$ 3,637,224	\$ 4,992

See accompanying Independent Auditor's Report.

Schedule 3
(Continued)

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ -	\$ -	\$ (589,917)	\$ 14,970,242
	-	(9,281,444)	3,921,872
1,731,055	-	-	1,731,055
629,096	-	(629,096)	-
-	920,902	(920,902)	-
-	-	795,953	795,953
-	-	2,659,112	2,659,112
536,889	-	613,187	1,150,076
2,897,040	920,902	(9,507,284)	65,304,679
695,915	845,327	(1,541,706)	4,035,633
(769,998)	2,910,000	-	-
(769,998)	2,910,000	-	-
(74,083)	3,755,327	(1,541,706)	4,035,633
1,304,156	60,581,712	(39,784,108)	36,450,298
\$ 1,230,073	\$ 64,337,039	\$ (41,325,814)	\$ 40,485,931

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --
EDUCATION AND SUPPORT**

Year Ended June 30, 2015

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Revenues:				
State appropriations	\$ 7,221,200	\$ 3,086,865	\$ 1,104,768	\$ -
Tuition and fees	13,710,747	7,024,752	1,769,542	-
Property tax	-	-	-	-
Federal appropriations	-	-	-	-
Sales and services	384	95,221	141,352	-
Interest on investments	-	-	-	-
Miscellaneous	10,000	160,712	-	-
	20,942,331	10,367,550	3,015,662	-
Allocation of support services	1,284,936	700,874	327,074	23,362
Total revenues	22,227,267	11,068,424	3,342,736	23,362
Expenditures:				
Salaries and benefits	6,869,798	5,916,594	1,182,218	-
Services	2,062,962	192,024	434,305	-
Materials and supplies	137,905	572,120	196,047	-
Travel	5,846	31,069	3,565	-
Plant asset acquisitions	8,925	8,500	19,053	-
Loan cancellation and bad debts	-	-	-	(10,751)
Miscellaneous	11,300	4,668	275	-
	9,096,736	6,724,975	1,835,463	(10,751)
Allocation of support services	9,069,967	4,947,255	2,308,719	164,909
Total expenditures	18,166,703	11,672,230	4,144,182	154,158

Schedule 4

Support					Education and Support Total
General Adminis- tration	Student Services	Learning Resources	Physical Plant	General Institution	
\$ 28,894	\$ -	\$ -	\$ -	\$ -	\$ 11,441,727
-	17,328	-	-	351,592	22,873,961
1,465,087	-	-	-	-	1,465,087
-	33,110	-	-	-	33,110
-	5,152	440	87,115	244,967	574,631
66,085	-	-	-	-	66,085
36,476	-	-	-	-	207,188
1,596,542	55,590	440	87,115	596,559	36,661,789
(1,596,542)	(55,590)	(440)	(87,115)	(596,559)	-
-	-	-	-	-	36,661,789
1,118,996	4,059,530	388,214	2,118,191	2,414,419	24,067,960
244,456	188,288	52,407	1,345,704	1,445,797	5,965,943
12,787	93,987	8,749	1,328,847	394,067	2,744,509
33,362	62,325	25	1,400	56,787	194,379
-	-	-	120,516	30,696	187,690
-	-	-	-	328,594	317,843
301,635	2,655	-	-	338,416	658,949
1,711,236	4,406,785	449,395	4,914,658	5,008,776	34,137,273
(1,711,236)	(4,406,785)	(449,395)	(4,914,658)	(5,008,776)	-
-	-	-	-	-	34,137,273

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --
EDUCATION AND SUPPORT**

Year Ended June 30, 2015

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Excess (deficiency) of revenues over (under) expenditures	\$ 4,060,564	\$ (603,806)	\$ (801,446)	\$ (130,796)
Transfers:				
Non-mandatory transfers	-	(34,859)	10,492	-
Total transfers	-	(34,859)	10,492	-
Net	\$ 4,060,564	\$ (638,665)	\$ (790,954)	\$ (130,796)
Fund balance beginning of year				
Fund balance end of year				

See accompanying Independent Auditor's Report.

**Schedule 4
(Continued)**

Support					Education and Support Total
General Adminis- tration	Student Services	Learning Resources	Physical Plant	General Institution	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,524,516
-	9,596	-	761	(2,322,773)	(2,336,783)
-	9,596	-	761	(2,322,773)	(2,336,783)
\$ -	\$ 9,596	\$ -	\$ 761	\$ (2,322,773)	187,733
					3,028,514
					<u>\$ 3,216,247</u>

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --

AUXILIARY ENTERPRISES

Year Ended June 30, 2015

	Bookstore	Career Education	Athletics and Student Organizations	Self- Insurance Program
Revenues:				
Tuition and fees	\$ -	\$ -	\$ 424,717	\$ -
Sales and services	2,673,588	469,959	87,375	4,224,526
Miscellaneous	-	-	121,546	-
Total revenues	2,673,588	469,959	633,638	4,224,526
Expenditures:				
Salaries and benefits	160,743	-	22,652	-
Services	19,982	7,510	409,147	3,938,551
Materials and supplies	98,637	114,523	786,718	-
Travel	220	2,537	539,849	-
Plant asset acquisitions	-	-	9,341	-
Interest on indebtedness	-	-	-	-
Cost of goods sold	1,700,970	103,978	-	-
Scholarships	-	-	945,641	-
Miscellaneous	-	55,371	-	-
Total expenditures	1,980,552	283,919	2,713,348	3,938,551
Excess (deficiency) of revenues over (under) expenditures	693,036	186,040	(2,079,710)	285,975
Transfers:				
Non-mandatory transfers	(223,019)	28,374	2,074,884	-
Net	470,017	214,414	(4,826)	285,975
Fund balances beginning of year	2,031,732	(236,523)	-	1,902,320
Fund balances end of year	\$ 2,501,749	\$ (22,109)	\$ (4,826)	\$ 2,188,295

See accompanying Independent Auditor's Report.

Schedule 5

Dormitories	Miscellaneous	Total
\$ 130,345	\$ 106,582	\$ 661,644
6,968,782	1,911,547	16,335,777
-	298,523	420,069
7,099,127	2,316,652	17,417,490
483,864	800,407	1,467,666
2,711,615	746,478	7,833,283
404,886	404,778	1,809,542
510	110	543,226
-	184,240	193,581
519,047	-	519,047
-	-	1,804,948
-	-	945,641
387,854	-	443,225
4,507,776	2,136,013	15,560,159
2,591,351	180,639	1,857,331
(2,180,000)	-	(299,761)
411,351	180,639	1,557,570
4,056,841	74,230	7,828,600
\$ 4,468,192	\$ 254,869	\$ 9,386,170

IOWA CENTRAL COMMUNITY COLLEGE

RESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2015

	Scholarships and Grants	Equipment Replacement	Insurance
Revenues:			
State appropriations	\$ 1,032,130	\$ 12,833	\$ 9,966
Property tax	-	650,720	506,794
Federal appropriations	11,549,999	-	-
Sales and services	-	-	-
Interest on investments	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-
Miscellaneous	117,259	-	-
Total revenues	12,699,388	663,553	516,760
Expenditures:			
Salaries and benefits	-	-	-
Services	-	-	458,885
Materials and supplies	-	206,893	-
Travel	-	-	-
Interest on indebtedness	-	-	-
Federal Pell Grant program	11,345,557	-	-
Federal supplemental educational opportunity grant	204,442	-	-
Iowa College Student Aid Commission	1,013,298	-	-
Miscellaneous	640,019	719,619	-
Total expenditures	13,203,316	926,512	458,885
Excess (deficiency) of revenues over (under) expenditures	(503,928)	(262,959)	57,875
Transfers:			
Non-mandatory transfers	537,620	(109,772)	-
Net	33,692	(372,731)	57,875
Fund balance beginning of year	18,667	886,296	619,559
Fund balance end of year	\$ 52,359	\$ 513,565	\$ 677,434

See accompanying Independent Auditor's Report.

Early Retirement		Unemployment Compensation		Cash Reserve		Tort Liability		Iowa Industrial New Jobs Training Program		Miscellaneous		Total	
\$	12,692	\$	784	\$	-	\$	8,975	\$	-	\$	2,817,073	\$	3,894,453
	639,490		39,672		-		456,845		-		-		2,293,521
	-		-		-		-		-		1,878,487		13,428,486
	-		-		-		-		-		387,498		387,498
	-		-		-		-		-		18,368		18,368
	-		-		-		-		386,073		-		386,073
	-		-		-		-		-		425,181		542,440
	652,182		40,456		-		465,820		386,073		5,526,607		20,950,839
	605,700		33,911		-		455,155		-		2,917,576		4,012,342
	-		-		-		-		195,617		886,999		1,541,501
	-		-		-		-		5,841		820,299		1,033,033
	-		-		-		-		-		57,750		57,750
	-		-		-		-		94,140		-		94,140
	-		-		-		-		-		-		11,345,557
	-		-		-		-		-		-		204,442
	-		-		-		-		-		-		1,013,298
	-		-		-		-		90,475		544,413		1,994,526
	605,700		33,911		-		455,155		386,073		5,227,037		21,296,589
	46,482		6,545		-		10,665		-		299,570		(345,750)
	-		-		-		-		-		68,694		496,542
	46,482		6,545		-		10,665		-		368,264		150,792
	109,394		38,917		319,603		611,448		-		882,548		3,486,432
\$	155,876	\$	45,462	\$	319,603	\$	622,113	\$	-	\$	1,250,812	\$	3,637,224

IOWA CENTRAL COMMUNITY COLLEGE

AGENCY FUNDS
SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS
Year Ended June 30, 2015

	Athletics and Student Organizations	Retraining Program	Federal Direct Student Loan Program
Balances beginning of year	\$ (19,998)	\$ 527,609	\$ -
Additions:			
Tuition and fees	2,714	-	-
Federal and state appropriations	-	-	18,883,509
Sales and services	82,019	-	-
Interest on investments	-	2,482	-
Miscellaneous	22,131	-	-
Total additions	106,864	2,482	18,883,509
Deductions:			
Salaries and benefits	-	-	-
Services	61,822	-	18,883,509
Materials and supplies	37,358	-	-
Travel	43,346	-	-
Scholarships	16,924	-	-
Miscellaneous	13,540	-	-
Total deductions	172,990	-	18,883,509
Balances end of year	\$ (86,124)	\$ 530,091	\$ -

See accompanying Independent Auditor's Report.

Schedule 7

Miscellaneous		Total	
\$	642,243	\$	1,149,854
	54,606		57,320
	92,687		18,976,196
	352,256		434,275
	-		2,482
	97,501		119,632
	597,050		19,589,905
	1,233		1,233
	25,263		18,970,594
	295,765		333,123
	67,775		111,121
	14,782		31,706
	917,720		931,260
	1,322,538		20,379,037
\$	(83,245)	\$	360,722

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF CREDIT AND CONTACT HOURS

Year Ended June 30, 2015

Category	Credit Hours		Total
	Eligible for Aid	Not Eligible for Aid	
Arts and Sciences	77,178	-	77,178
Vocational Education	51,432	-	51,432
Adult Education/Continuing Education	-	-	-
	128,610	-	128,610

See accompanying Independent Auditor's Report.

Schedule 8

Contact Hours		
Eligible for Aid	Not Eligible for Aid	Total
1,526,313	-	1,526,313
1,210,300	-	1,210,300
367,790	202,481	570,271
3,104,403	202,481	3,306,884

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES
For the Last Ten Years

	2015	2014	2013	2012
Local (property tax)	\$ 6,518,778	\$ 6,309,581	\$ 5,647,340	\$ 5,740,825
State	15,790,624	15,205,498	12,558,759	10,482,371
Federal	13,461,596	13,063,176	13,262,726	13,708,947
Total	\$ 35,770,998	\$ 34,578,255	\$ 31,468,825	\$ 29,932,143

See accompanying Independent Auditor's Report.

Schedule 9

Year Ended June 30,

2011		2010		2009		2008		2007		2006	
\$	6,138,495	\$	5,490,706	\$	5,818,758	\$	3,540,724	\$	3,557,131	\$	4,326,970
	11,118,078		9,705,796		12,477,593		11,495,819		10,588,190		10,232,644
	14,886,911		13,289,803		8,358,649		6,249,882		5,588,092		6,545,688
<hr/>											
\$	32,143,484	\$	28,486,305	\$	26,655,000	\$	21,286,425	\$	19,733,413	\$	21,105,302
<hr/>											

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION For the Last Ten Years

	Year			
	2015	2014	2013	2012
Revenues:				
State appropriations	\$ 15,336,180	\$ 14,105,499	\$ 11,868,116	\$ 10,427,406
Tuition and fees	22,873,961	22,524,072	23,773,215	22,660,862
Property tax	3,758,608	3,623,819	2,946,266	3,098,839
Federal appropriations	13,461,596	13,063,176	13,262,726	13,708,947
Sales and services	962,129	518,801	558,397	918,308
Interest on investments	84,453	78,074	73,452	65,123
Iowa Industrial New Jobs Training Program	386,073	1,109,189	484,668	763,740
Auxiliary enterprises	17,417,490	16,089,916	15,224,153	14,520,539
Miscellaneous	749,628	348,322	418,760	262,903
Total	\$ 75,030,118	\$ 71,460,868	\$ 68,609,753	\$ 66,426,667
Expenditures:				
Liberal arts and sciences	\$ 9,096,736	\$ 9,220,044	\$ 9,406,584	\$ 8,601,990
Vocational technical	7,650,607	7,261,605	7,591,126	7,281,811
Adult education	3,162,936	2,670,432	2,509,545	2,358,489
Cooperative services	626,002	1,703,469	1,034,094	1,400,502
Administration	1,926,478	1,797,246	1,501,064	1,663,080
Student services	4,406,785	6,150,735	6,093,499	5,309,594
Learning resources	449,395	527,686	562,775	579,986
Physical plant	5,373,543	4,884,126	5,009,228	5,243,191
General institution	9,538,064	7,841,983	7,490,520	7,959,589
Auxiliary enterprises	15,560,159	12,272,079	12,577,310	12,841,603
Scholarships and grants	13,203,316	12,518,203	12,507,525	12,011,007
Workforce Investment Act	-	-	-	68,633
Total	\$ 70,994,021	\$ 66,847,608	\$ 66,283,270	\$ 65,319,475

See accompanying Independent Auditor's Report.

Schedule 10

Ended June 30,					
2011	2010	2009	2008	2007	2006
\$ 10,363,645	\$ 9,596,735	\$ 11,564,261	\$ 11,165,271	\$ 10,369,493	\$ 9,391,912
22,102,687	19,758,110	17,473,089	15,284,473	13,713,940	12,008,732
3,540,602	3,002,851	3,385,350	2,480,517	2,507,291	3,313,307
14,886,911	13,289,803	8,358,413	6,249,361	5,588,092	6,143,591
1,251,525	1,112,727	1,523,171	1,330,600	1,680,551	1,453,867
65,424	72,115	278,197	667,046	850,523	782,516
908,341	979,649	1,910,326	2,124,379	2,073,371	2,125,884
13,015,025	11,771,531	10,964,404	10,611,526	8,958,337	7,658,956
160,997	154,113	183,978	185,340	170,645	200,508
\$ 66,295,157	\$ 59,737,634	\$ 55,641,189	\$ 50,098,513	\$ 45,912,243	\$ 43,079,273
\$ 8,496,731	\$ 7,574,233	\$ 7,029,027	\$ 6,458,272	\$ 5,485,941	\$ 4,634,294
7,129,584	6,391,435	5,837,171	5,573,585	5,130,353	4,880,693
2,417,605	2,312,987	2,631,646	2,592,335	2,600,410	2,395,313
1,696,712	2,236,022	3,618,142	3,607,913	3,548,282	3,303,993
1,428,079	1,554,076	1,243,654	1,273,628	1,472,722	1,076,106
4,883,545	4,510,205	4,402,589	4,030,144	3,581,358	3,583,769
571,816	443,646	293,612	270,819	300,293	332,257
4,860,216	4,497,508	4,081,440	3,425,182	3,670,110	3,127,923
8,912,742	8,300,325	7,813,078	6,828,116	6,195,145	6,322,947
10,413,435	9,613,638	8,966,134	8,832,852	7,464,479	6,079,921
12,173,416	9,533,501	6,297,795	5,196,211	4,153,217	3,850,833
102,334	109,075	95,476	80,691	107,114	267,185
\$ 63,086,215	\$ 57,076,651	\$ 52,309,764	\$ 48,169,748	\$ 43,709,424	\$ 39,855,234

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Direct:			
U.S. Department of Education:			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	204,442	\$ -
Federal Direct Student Loans	84.268	-	18,883,509
Federal Work-Study Program (FWS)	84.033	162,704	-
Federal Pell Grant Program	84.063	11,345,557	-
Total Student Financial Assistance Cluster		11,712,703	18,883,509
TRIO Student Support Services	84.042A	238,742	-
Total Direct		11,951,445	18,883,509
Indirect:			
U.S. Department of Commerce:			
Indirect through Iowa State University:			
Manufacturing Extension Partnership - CIRAS	11.611	134,492	-
U.S. Department of Education:			
Indirect through the Iowa Department of Education:			
Adult Education - Basic Grants to States	84.002	192,831	-
Indirect through Hawkeye Community College:			
Trade Adjustment Assistance Community College and Career Training	17.282	150,262	-
		343,093	-
Career and Technical Education - Basic Grants to States:			
Title II-B Program Improvement	84.048	563,445	-
Strengthen Healthcare - Perkins	84.048	5,000	-
Vocational Prep Corrections	84.048	9,999	-
		578,444	-
Indirect through the Iowa Department of Corrections:			
Title I Corrections	84.013	10,000	-

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

Schedule 11
(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect (Continued):			
U.S. Department of Homeland Security:			
Indirect through Iowa Homeland Security and Emergency Management Division (HSEMD):			
2013 Homeland Security Grant	97.067	\$ 33,269	\$ -
U.S. Department of Education:			
Indirect through Des Moines Area CC (DMACC):			
TAACCCT Grant	17.282	225,131	-
U.S. Department of Agriculture			
Distance Learning & Telemedicine Grant RUS	10.855	185,722	-
Total Indirect		1,510,151	-
Total		\$ 13,461,596	\$ 18,883,509

Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Iowa Central Community College and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Iowa Central Community College, Fort Dodge, Iowa, and the discretely presented component unit as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iowa Central Community College's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iowa Central Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of Iowa Central Community College's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-15 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Central Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the College's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the College. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Iowa Central Community College's Responses to Findings

Iowa Central Community College's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Iowa Central Community College's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schnarr & Company, LLP

Fort Dodge, Iowa
December 8, 2015



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

Report on Compliance for Each Major Federal Program

We have audited Iowa Central Community College's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Iowa Central Community College's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Iowa Central Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iowa Central Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Iowa Central Community College's compliance.

Opinion on Each Major Federal Program

In our opinion, Iowa Central Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The management of Iowa Central Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Iowa Central Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the audit procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control over compliance

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Schnurr & Company, LLP

Fort Dodge, Iowa
December 8, 2015

**IOWA CENTRAL COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Part I: Summary of the Independent Auditor's Results

- (A) An unmodified opinion was issued on the financial statements.
- (B) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (C) The audit did not disclose any non-compliance which is material to the financial statements.
- (D) No significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (E) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (F) The audit disclosed no audit findings that were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (G) Major programs were as follows:
 - CFDA Number 84.048 – Career and Technical Education – Basic Grants to States
 - Student Financial Assistance – Cluster.
 - CFDA Number 84.007 – Federal Supplemental Educational Opportunity Grants
 - CFDA Number 84.033 – Federal Work-Study Program
 - CFDA Number 84.063 – Federal Pell Grant Program
 - CFDA Number 84.268 – Federal Direct Student Loans
- (H) The dollar threshold used to distinguish between Type A and Type B programs was \$403,848.
- (I) Iowa Central Community College qualified as a low-risk auditee.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2015

Part II: Findings Related to the Financial Statements:

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

- II-A-15 Satellite Campus Receipt Controls - An important aspect of internal control is the segregation of duties among employees so that the activities of one employee act as a check on those of another. No employee should be responsible for an entire transaction cycle.

The Community College's satellite campuses collect receipts for tuition and fees, book sales and miscellaneous revenues. Due to the limited number of staff at each center, receipts may be collected, recorded and deposited by the same individual.

While it is recognized that many methods of achieving good internal control are not adaptable to a small staff, some degree of effective control may always be obtained by appropriate organization or strengthening supervisory control procedures.

Recommendation - The Community College should review procedures in an effort to improve supervisory control over satellite campus receipts.

Response - Every effort is made to maintain efficient controls and still be cost effective at the satellite centers. Since June, 1993, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Webster City Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge. Since May, 1996, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Storm Lake Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge.

Discussion and review of receipting procedures take place periodically with supervisory staff at the centers.

Conclusion - Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE AND INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-15 Certified Budget - Expenditures for the year ended June 30, 2015 did not exceed the amounts budgeted.
- IV-B-15 Questionable Expenditures - No expenditures we believe did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-15 Travel Expense - No expenditures of Community College money for travel expenses of spouses of Community College officials or employees were noted. No travel advances to Community College officials or employees were noted.
- IV-D-15 Business Transactions - No business transactions between the Community College and Community College officials or employees were noted.
- IV-E-15 Bond Coverage - Surety bond coverage of Community College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- IV-F-15 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-15 Publication - The Community College published a statement showing the receipts and disbursements of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- IV-H-15 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Community College's investment policy were noted.
- IV-I-15 Credit/Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the Community College for the year ended June 30, 2015 were supported by detailed records maintained by the Community College.